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BEFORE THE

Federal Communications Commission

WASHINGTON, D. C.

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FEB 4 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of:	)	
	)	
Implementation of Sections of the Cable Television Consumer Protection and Competition Act of 1992	)	MM Docket No. 92-266
	)	
Rate Regulation	)	

To: The Commission

PETITION FOR EMERGENCY RELIEF FROM EXTENSION OF RATE FREEZE

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Dated: February 4, 1994

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SUMMARY

If the Commission chooses to extend the current freeze on regulated cable rates, it must permit cable systems of less than 1,000 subscribers to increase their rates, subject to an accounting order, to compensate for increases in operating expenses experienced since the freeze began on April 5, 1993.

The Coalition and the SCBA have established the need for small system relief throughout the Commission's rate regulation proceedings. The record before the Commission demonstrates the special administrative and cost burdens small systems face in providing cable service that larger systems do not share. Since the rate freeze, small systems have experienced dramatic increases in operating costs, primarily attributable to the new 1992 Cable Act requirements. Because of the freeze and the nature of their service, they have been unable to offset these costs through rate increases and will be unable to do so in the future.

The Commission's waiver policy, as demonstrated by its only decision on a freeze waiver request, provides small systems little assurance that the hardships they have carried throughout the freeze will be acknowledged appropriately. The Commission's sole waiver decision was decided before the last extension, and rested upon the assurance that the Commission would lift the freeze on November 15, 1993. The Coalition and the SCBA submit that in light of the Commission's practice of extending the rate freeze in increments, the focus on the temporary nature of the freeze and its impending termination was undermined. It fails to recognize the overall impact of the ten-month freeze upon systems as well as the possibility that further extensions will occur.

The Coalition and the SCBA submit that extending the freeze on small systems is unlawful. There is no record basis for extending the freeze, and there is much evidence to demonstrate the harm that small systems have suffered as a result of

the protracted freeze. Moreover, the 1992 Cable Act provides no authority for the Commission to impose an indefinite freeze on rates. Indeed, the Commission was required by statute to have promulgated rate rules by April 1, 1993 -- a requirement which, if completed, would have obviated the need for any rate freeze.

Permitting small systems to impose moderate rate increases subject to an accounting would accommodate the interests of the systems and subscribers. Additionally, it would in no way interfere with the Commission's rate regulation timetable. In light of Congressional and Commission recognition of the special burdens of small systems, the allowance would be equitable and appropriate.

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The Coalition of Small System Operators ("the Coalition"), hereby requests the Commission, if it chooses to extend the current freeze on regulated cable rates, to permit cable systems of less than 1,000 subscribers to increase their rates to account for increases in operating expenses experienced since April 5, 1993, subject to an accounting order. 1/

The Coalition consists of approximately 25 small cable system operators that operate close to one quarter of the headends in the country. They primarily serve small rural communities that otherwise would remain unserved because of their sparsely populated areas. The vast majority of the Coalition's systems serve less than 1,000 subscribers, and these systems average about 337 subscribers. See Exhibit B.

These systems have experienced extreme hardships created by the incremental extensions of the rate freeze. 2/

1/ The Small Cable Business Association supports this petition. See Exhibit A.

2/ Information regarding the substantial cost increases experienced by Coalition members in 1993, and for which members could not raise rates to recover, is attached hereto as Exhibits C through F. The impact of the rate freeze on small system operators has also been described to the Commission in other

I. BACKGROUND

On April 5, 1993, the Commission froze increases in regulated cable rates for 120 days, until August 3, 1993. Implementation of Sections of the Cable Television Consumer Protection and Competition Act of 1992, Rate Regulation, 8 FCC Rcd 2917, 58 Fed. Reg. 17530 ("Freeze Order"). This order applied uniformly to all cable systems subject to rate regulation under the 1992 Cable Act. On June 18, the Commission extended the rate freeze until November 15, 1993. Implementation of Sections of the Cable Television Consumer Protection and Competition Act of 1992, Rate Regulation, FCC 93-304, 58 Fed. Reg. 33560 (1993) ("Stay Order"). 3/ Then on November 10, just two business days before the expiration of the rate freeze and without advance notice, the Commission on its own motion extended the freeze a third time.
The Commission continued the freeze for three additional months, thereby freezing rates for over ten months. Implementation of Sections of the Cable Television Consumer Protection and Competition Act of 1992, Rate Regulation, FCC 93-494, 58 Fed. Reg. 60141 (FCC 1993) ("Extension Order").

Coalition filings. See, e.g., Letter to Chairman James H. Quello, Commissioner Andrew C. Barrett and Commissioner Ervin Duggan, MM Docket No. 92-266, dated November 10, 1993; Petition for Stay, MM Docket No. 92-266, filed July 28, 1993.

The Commission has acknowledged to some degree the hardships imposed by the freeze on small operators. Extension Order, Statement of Chairman James H. Quello, Dissenting, Statement of Commissioner Andrew C. Barrett, Dissenting.

3/ In the Stay Order, the Commission indicated that it would entertain petitions for emergency relief from operators who could demonstrate severe economic hardship caused by the rate freeze. Stay Order, ¶ 5.

We now understand that the Commission will not act on the various cable matters before it by February 15, 1994, and is contemplating an extension to the freeze for all cable systems which are not yet subject to local regulation. Because regulation of small systems has been stayed -- a result we sought and continue to support -- any extension of the freeze would necessarily prevent any small systems from increasing their rates to keep pace with rising costs. This problem applies uniquely to small systems, which cannot endure yet another continuation of the rate freeze. 4/

Accordingly, the Coalition respectfully requests the Commission, if it chooses to extend the rate freeze, to allow small systems to increase rates to cover their operating costs, such as programming costs, franchise fees, pole attachments costs, and costs of meeting the 1992 Cable Act's signal carriage requirements. The systems should be permitted to increase rates to reflect these higher costs incurred since April 4, 1993. The Commission may subject any small system rate increase to an "accounting order," requiring the system to keep records that would permit eventual refunds if later ordered.

4/ The Commission allowed operators to increase basic rates in those systems subject to regulation by local franchising authorities under the new rate regulations. Because regulation of systems with less than 1,000 subscribers has been stayed, no small operators have been able to raise their rates. See Memorandum Opinion and Order, M.M. Docket No. 920266, FCC 93-389, 8 FCC Rcd 5585 (1993).

II. SMALL SYSTEM OPERATORS ARE UNABLE TO ENDURE ANOTHER EXTENSION OF THE FREEZE

A. Small systems face heavier burdens of complying with rate regulation.

Throughout the Commission's rate regulation proceedings, the Coalition has established the need for special consideration for small systems. 5/ It has explained the burdens small systems must bear to comply with rate regulation and has demonstrated how they are heavier than those imposed on large systems.

The members of the Coalition and other small operators typically face special problems not shared by larger operators. For example, they have higher than average plant costs per subscriber because the cost of the headend and distribution plant cannot be spread among as many subscribers. They incur higher operational costs because they must construct more miles of plant per subscriber than systems in more densely populated areas. They tend to pay higher programming costs because they typically are not large enough to enjoy volume discounts. They generally have a higher cost of money. Most important, typically they lack revenue streams, such as enhanced services, that help counterbalance shortfalls in revenue from regulated services.

5/ Letter to Chairman James H. Quello, Commissioner Andrew C. Barrett and Commissioner Ervin Duggan, MM Docket No. 92-266, dated November 10, 1993; Petition for Stay, MM Docket No. 92-266, filed July 28, 1993; Coalition Comments, MM Docket No. 92-266, filed August 31, 1993; Coalition Comments, MM Docket No. 92-266, filed January 27, 1993.

B. **Small systems have experienced severe economic hardships created by the prolonged rate freeze.**

1. **Impact of Rate Freeze.**

Since small operators last increased rates, their costs have continued to rise dramatically. 6/ Many of these increases are attributable to the new 1992 Cable Act requirements, including the must carry rules and administrative obligations. At the same time, other costs -- such as programming expenses, pole attachment fees, and personnel costs have continued to increase. Because of the rate freeze, small systems have been unable to offset these cost increases with commensurate increases in their rates. Nor have smaller systems been able to offset these cost increases with other reserves. Small systems typically lack the capability to offer pay-per-view services, or other ancillary unregulated services that are not subject to the rate freeze. Moreover, small systems generally do not have the benefit of local advertising revenues.

Douglas Cable Communications, L.P., for example, is a small system operator with 60,100 subscribers spread over 323 franchise areas in five states. See Declaration of Calvin G. Craib, Vice President, Douglas Cable Communications, Inc., Managing General Partner of Douglas Cable Communications, L.P., Exhibit C. 7/ The average Douglas system serves 204 subscribers. Douglas experienced an increase in operating expenses of 3.8

6/ The Coalition has previously raised this issue before the Commission. See Coalition Comments filed in MM Docket No. 92-266 on August 31, 1993.

7/ Douglas Cable Communications, L.P. is one of several related partnerships that operate small cable television systems. Together, the partnerships operate approximately 437 integrated systems, serving 103,090 subscribers in 494 communities. All but nine of these systems serve less than 1,000 subscribers. The average system serves 235 subscribers.

percent in 1993. This total cost increase does not include capital expenditures. Even though Douglas had little choice but to make these expenditures, it did not have the option to increase basic rates to cover the increases because of the rate freeze. Among the specific areas in which Douglas experienced increases in operating costs in 1993: basic programming costs increased by 11.9 percent; compensation and benefits increased by 6.1 percent; expenses relating to professional services increased by 51.5 percent (related largely to compliance with 1992 Cable Act requirements); and the costs to operate vehicles increased by 13.5 percent. Douglas has not increased rates for basic service in some systems since June 1992. Twenty percent of Douglas' 60,100 subscribers have not had a basic rate increase since June 1992. Twenty-two percent have not had a basic rate increase since July 1992. And 23 percent have not had a basic rate increase since August 1992. It has therefore been more than 15 months since the last basic rate increase for 74 percent of Douglas' customers. Id.

Horizon Cablevision I Limited Partnership operates 16 cable television systems serving approximately 24,925 subscribers in 82 communities in Michigan. See Declaration of Alan Baird, General Manager, Horizon Cablevision I Limited Partnership, Exhibit D. Horizon experienced substantial increases in costs in 1993. Much of these increases were attributable to expenditures related to the 1992 Cable Act. The cost, for example, of bringing Horizon's systems into compliance with new customer service standards was $263,000. Included in this sum were $42,000 for new telephone equipment, $88,000 for technical staff, $77,500 for technical equipment, $20,500 for additional office personnel, and $35,000 for customer communication. In addition, Horizon spent approximately $25,000 to comply with must-carry requirements. Horizon incurred $65,000 in professional fees resulting from its efforts to understand and comply with new regulatory requirements -- representing a 433 percent increase over expenditures for professional services in 1992. Horizon also spent $56,500 on internal staffing of issues related to the 1992 Cable Act. Overall increases in programming costs for Horizon in 1993 were $66,000. The total increases in 1993 for just these enumerated items was $475,500, or $19.90 per subscriber ($1.66 per subscriber per month). Horizon has not been able to recover any of these increased costs by raising basic rates due to the rate freeze. Id.

ACI Management, Inc., which operates approximately 46 cable television systems serving approximately 28,000 subscribers in over 100 communities, had increases in operating costs for all of its systems in 1993. See Declaration of Tricia Hasbrouk, ACI Management, Inc., Exhibit E. For example, ACI operates systems serving 12 Arkansas communities, with an average of 260 subscribers per community. The overall operating expenses for these systems increased by a total of 8.7 percent in 1993. Basic programming costs increased by 37.5 percent as a result of increases in programming rates and the addition of new programming services. This cost increase does not include capital expenditures for the equipment required to add new channels. Personnel costs increased by 8.9 percent in 1993. Utility costs were up 13.5 percent. None of these systems has increased basic rates in 16 months. Id.

Star Cable Associates operates 54 cable systems which serve approximately 62,533 subscribers in six states. See Declaration of Michael R. Haislip, Executive Vice President and Chief Operating Officer, Star Cable Associates, Exhibit F. The average Star system serves 1,158 subscribers. Star and other small cable operators were particularly hard hit by the requirements imposed by the 1992 Cable Act. For example, Star had to identify all television broadcast stations with must-carry rights on its 54 headends and send those stations the required notices with respect to channel line-ups, signal quality deficiencies and copyright liability. Star sent approximately 500 such notices in 1993. Star experienced increases in total operating expenses of 4.84 percent in 1993. Examples of these increases include: basic programming expenses, up 7.7 percent; compensation and benefits, up 7.5 percent; and expenses relating to professional services, up 174 percent. The 4.84 percent overall increase includes only increases in operating expenses, and does not include capital expenditures. Star also had some substantial capital expenditures in 1993 -- owing largely to the 1992 Cable Act -- such as $110,000 to comply with must-carry requirements. Star has not had an increase in basic rates in at least a year. Id.

The extraordinary increases felt by members of the Coalition, detailed in Exhibits B through E, have not been passed on to subscribers due to the freeze. These costs, furthermore, will be irretrievable, as small systems have no mechanism to recoup them when the rate freeze is lifted. The experiences of small systems not only reveal the hardships imposed since April 5, 1993, but confirms the urgency of the Coalition's request.

2. Small systems are unable to endure a longer rate freeze

Small systems are simply unable to endure continuation of the rate freeze. As explained at all stages of the rate regulation proceedings, 8/ small

8/ See, e.g., the following Coalition filings in MM Docket No. 92-266: Comments filed August 31, 1993; Comments filed January 27, 1993; Petition for Stay, July 28, 1993; Letter Requesting Relief from Rate Freeze, submitted November 10, 1993.

systems incur higher costs per subscriber of providing service than do larger systems and have seen their costs increase markedly since April 5, 1993. The rate freeze compounded the effect of the cost increases on small systems by eliminating their primary means to offset these costs. The dramatic increases in costs that members of the Coalition experienced in 1993, detailed in Exhibits C through F, cannot be recovered under the terms of the freeze. A small operator like Douglas Cable Communications, L.P., with a four percent increase in costs that it is unable to recover for a ten month period will surely be harmed if the freeze continues. Extending the rate freeze further will only worsen the injury caused to small systems by the initial freeze and its subsequent extensions.

In light of the Commission's treatment of requests for waivers of the freeze, the Commission's statement that it will grant waivers in cases of severe hardship affords small systems little consolation. Stay Order, at ¶ 5. The Coalition is aware of three petitions for emergency relief from the rate freeze. Of these three, the Commission has evaluated only one, which it denied approximately two months after the petition was filed. Fidelity Cablevision, Inc, Petition for Emergency Relief, FCC 93-445, 73 RR 2d 1312 (rel. Sept. 21, 1993). 9/

In Fidelity, the Commission denied Fidelity Cablevision's waiver request because of the "temporary" nature of the stay and the long term financial situation of Fidelity Cablevision. Central to the Commission's denial was its assumption that Fidelity Cablevision could recover its losses incurred during the freeze, once the freeze was lifted on November 15, 1993. Id. at 1314 ¶ 9.

9/ Fidelity filed its Petition for Emergency Relief on July 21, 1993. The Commission did not act on the Emergency request until September 16, 1993.

The Commission's analysis proves problematic to small systems in two respects. First, because the Commission has extended the rate freeze incrementally for relatively short time periods, it becomes nearly impossible to meet the Fidelity standard and pointless to incur the costs of filing a waiver request -- notwithstanding the severe economic hardships suffered during the now 10-month long freeze. The Fidelity decision was premised on the fact that the freeze would soon be lifted, thereby allowing Fidelity Cablevision to recapture its losses incurred during the freeze. Id. Yet five months after the Fidelity decision, and three months after the Commission assured Fidelity it could begin to try to recover its costs, the freeze continues. As each deadline for the end of the freeze has approached, the Commission has summarily tacked on another few months. By continually implementing "temporary" extensions of relatively small lengths, the Commission has effectively frozen rates indefinitely.

More importantly, the standard used in Fidelity assumed that because of the temporary, finite nature of the freeze, cable operators would be able to recover any losses attributable to the freeze once the freeze ended. Id. This analysis fails to recognize the inability of small systems to recapture those costs in the future. These costs are generally unrecoverable under the benchmark standards. Nor has there been any suggestion in the cost-of service rulemaking that these costs may be recovered. There is no indication that cable systems may recoup these costs as rate regulation goes forward.

In addition, the profound impact of the protracted rate freeze is exacerbated by small operators' practical inability to recover amounts that they could have charged but for the freeze. Rate increases are disciplined by market forces. Therefore, even though many small operators have not increased basic rates for well over a year, subscribers will not tolerate a sudden extraordinary increase. Nor will they tolerate a series of increases in rapid succession. Small operators, limited by those market forces, will have to make only the modest periodic increases that the market will bear. To the extent that costs since last April exceed these increases, operators will not be able to recover them.

The Coalition notes that one of its members, USA Cable Systems, Inc. filed a Petition for Emergency Relief on December 3, 1993. In that petition, USA noted the urgency of its filing and the need for prompt action by the Commission. Yet as of February 4,1994, <u>two months</u> after USA filed its Emergency Petition, the Commission has yet to act upon the emergency request. Small systems can ill afford the administrative burdens of filing a Petition for Emergency Relief only to have the Commission delay response as debts rise and expenses continue to accumulate. To delay action upon waiver requests until the freeze is lifted renders the waiver policy wholly illusory.

C. Allowing small systems to increase rates, subject to an accounting order, would be an appropriate accommodation of the interests of small systems and subscribers.

The Coalition respectfully requests the Commission, if it is to extend the current freeze on regulated rates, to permit small systems to increase rates subject to an accounting and potential refund. This restricted increase represents an appropriate accommodation of the interests of small systems and their subscribers, without in any way interfering with the Commission's schedule for rate regulation. As explained previously, small systems lack the means to recover the bulk of the losses incurred during the freeze. The proposed modest increases would give small systems partial reprieve from the losses incurred. Any potential harm to subscribers would be reparable insofar as increases would be subject to an accounting and a refund.

Congress has required the Commission to provide small systems relief from the heavy administrative burdens associated with rate regulation. Communications Act, Section 623(i), 47 U.S.C. § 543(i). The Commission too has voiced concern for small systems and has recognized the disproportionate impact of rate regulation on small systems. Implementation of Sections of the Consumer protection and Competition Act of 1992, Rate Regulation, Memorandum Opinion and Order and Further Notice of Proposed Rulemaking, 8 FCC Rcd 5585 (Aug. 10, 1993) at ¶¶ 19-25; Extension Order, Statement of Chairman James H. Quello, Statement of Commissioner Andrew C. Barrett, Dissenting. Granting the requested relief would give life to the policy statements.

III. EXTENSION OF THE RATE FREEZE IS UNLAWFUL

The Coalition respectfully submits that an extension of the freeze on the rates charged by small systems would be unlawful. Extension of the freeze on rates charged by small systems would exceed the authority of the Commission granted under the 1992 Cable Act and violate the Fifth Amendment rights of small systems.

The Commission has indefinitely frozen rates for all small systems without notice, without regard to whether their rates are above or below benchmarks, without regard to whether they have had increased costs, without regard to whether they have incurred significant expenses on capital outlays, without regard to the date of their last rate increase, and without setting temporary rates. 10/ The freeze makes no allowance for costs or inflation. By its own action and inaction, the Commission has rendered the right to seek a waiver request in cases of severe economic hardship illusory. Not only has the Commission prevented small systems from recovering their costs without any avenue for special relief, it has done so indefinitely.

The Fifth Amendment clearly prevents the Commission from indefinitely freezing rates and preventing small system operators from covering their costs. Permian Area Basin Rate Cases, 390 U.S. 747, 769-770 (1968) (arbitrary, discriminatory, or "demonstrably irrelevant" price control is unconstitutional); FPC v. Hope Natural Gas Co., 320 U.S. 591 (1944). There is simply no record basis for doing so. To the contrary, the record before the Commission reveals the lack of any rational basis for extending the freeze on small system rates when small systems could increase rates subject to an accounting order. The Commission's power to regulate cable rates cannot give the Commission "the power to destroy." Permian Area Basin Rate Cases, 390 U.S. at 769.

Small systems are entitled to a reasonable rate of return and may not be uniformly deprived of this with no avenue for relief. The 1992 Cable Act does not authorize the Commission to impose an indefinite freeze on rates of small systems. Indeed, the Act does not even provide for the "suspension" of rates. Cf. 47 U.S.C. § 204 (maximum five month suspension of tariff

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10/ Indeed, the Commission granted a stay precisely so small systems would not be forced to perform time consuming and costly benchmark calculations.

increases). 11/ Indeed, the Cable Act acknowledges that cable operators have a right to a "reasonable profit." See 47 U.S.C.A. § § 543(b)(2)(C)(viii); 543(c)(l)(A) (West Supp. 1993). Yet small system operators have been singled out and denied a remedy. Unlike large MSOs, small operators have no alternative revenue streams to which they may turn and they lack any practical means of objecting to the freeze. Rate increases delayed are rate increases denied.

There is no record basis for extending the rate freeze for small systems. To the contrary, the record before the Commission reveals the lack of any reason to extend the freeze on small systems when small systems could increase rates subject to an accounting order. In light of this record, any further continuation of the freeze on the rates for small systems would be unjust and unreasonable. AT&T v. FCC, 487 F.2d 864 (2d Cir. 1973).

It is important to keep in mind that the Act required the Commission to promulgate rate regulations for small systems within 180 days of the date of enactment of the Act, October 5, 1992. 47 U.S.C. § § 543(b)(2), 543(i). Yet ten months after that mandate expired, the Commission has failed complete its rulemaking proceedings and has held small systems hostage waiting the outcome. The Coalition notes that it requested and obtained a stay of rate regulation for small systems, in accordance with § 543(i) of the Act. That stay, however, in no way justifies further extension of the rate freeze. The Coalition requested the stay precisely because the Commission had failed to complete substantial portions of its rate regulations. The Commission's inability to adhere

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11/ The Commission's own rules establish a 180-day limit on the time during which rates may be suspended pending a proposed increase. 47 C.F.R. § 76.933. The 10-month freeze clearly surpasses this limitation.

to its schedule of rate regulation should not justify the imposition of avoidable additional burdens upon small system operators.

There has also been no notice of a proposed extension of the rate freeze nor has there been full opportunity for comment. Further extension of the rate freeze would violate the Administrative Procedure Act and the Commission's rules, which require notice of and the opportunity to comment on proposed substantive rules. And, as the Commission itself noted, absent good cause, it must publish substantive rules in the Federal Register 30 days before they are to take effect. Extension Order, ¶ 8. As good cause for the last extension, the Commission cited the need to give franchise authorities and subscribers additional time to exercise their rights under the 1992 Cable Act and the Commission's rules. Id. The Coalition submits that this reason does not justify lengthening the 10-month rate freeze with less than 30 days' advance publication. As explained previously, subjecting increases to an accounting order would in no way interfere with the Commission's schedule for rate regulation.

IV. CONCLUSION

Small cable system operators have fulfilled tow major policy goals of Congress: they have extended cable service to previously unserved rural areas, and they have introduced new competition to any industry of otherwise larger players. It would be a tragic irony if the Commission's inattention to this request would further weaken the most fragile sector of the cable industry and thereby increase concentration. Michael Selz, Small Cable-TV Operators Face an Uncertain Future, Wall St. J., Dec. 13, 1993, at B2. (See Exhibit G).

The substantial hardships imposed upon small systems by the ten-month freeze illustrate the need for systems to impose modest increases, to cover their costs. Accordingly, the Coalition respectfully requests the Commission, if it chooses to extend the rate freeze, to allow small systems, subject to an accounting order, to increase their rates to cover cost increases since April 5, 1993.

Respectfully submitted

THE COALITION OF SMALL SYSTEM OPERATORS

By: ______________________

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Its Attorneys

Dated: February 4, 1994

EXHIBIT A

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of Implementation of Sections of The Cable Television Consumer Protection and Competition Act of 1992 Rate Regulation	))))))))	MM Docket No. 92-266

PETITION IN SUPPORT OF
PETITION FOR EMERGENCY RELIEF
FROM EXTENSION OF RATE FREEZE

The Small Cable Business Association ("SCBA"), by and through its attorneys, Howard & Howard, hereby files this Petition expressing support of the *Petition For Emergency Relief From Extension Of Rate Freeze* filed by the Coalition of Small System Operators ("Coalition's Petition") on February 4, 1994, as it requests relief for operators disparately impacted by the rate freeze.

SCBA is a self-help group of over 270 cable operators, half of whom have fewer than 1,000 subscribers in total. Many of SCBA's members have experienced the severe economic hardships created by the protracted implementation of the rate freeze as described in the Coalition's Petition. That is why SCBA filed an emergency petition[1] requesting limited relief from the freeze for small cable operators. SCBA fully supports the relief requested

[1]SCBA filed a *Emergency Petition For Interim Procedures and Limited Reconsideration of Rate Freeze Order* on December 9, 1993 ("Emergency Petition").

in the Coalition's Petition and strongly urges the Commission to grant the relief requested by this and SCBA's *Emergency Petition*.

Respectfully submitted,

SMALL CABLE BUSINESS ASSOCIATION

Dated: February 4, 1994

By: ______________________
Eric E. Breisach

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EXHIBIT B

NAME OF OPERATOR	TOTAL SUBS	TOTAL COMM. UNITS	TOTAL STATES SERVED	TOTAL HEADENDS	HEADENDS WITH LESS THAN 1,000 SUBS.
Douglas Communications Corp. II	103,090	494	13	437	428
Galaxy Cablevision	54,887	200	6	129	112
MW1/USA Cablesystems, Inc.	37,334	484	16	443	443
Vantage Cable Associates, L.P.	30,737	126	7	126	123
Triax Communications Corp.	326,052	1,075	16	444	361
Buford Television, Inc.	77,206	260	8	168	154
Classic Cable	29,904	78	5	73	65
Midcontinent Media, Inc.	72,502	174	4	170	162
Star Cable Associates	60,279	150	6	62	33
Leonard Communications, Inc.	61,500	226	9	125	110
Phoenix Cable, Inc.	26,900	58	8	37	25
Harman Cable Communications	32,500	29	6	22	15
ACI Management, Inc.	26,000	125	8	45	39
Frederick Cablevision	41,427	21	1	9	3
Fanch Communications/ Mission Cable Co., L.P.	189,603	514	13	306	331
MidAmerican Cablesystems, L.P.	12,173	101	5	81	80
Rigel Communications	10,500	31	2	31	29
Horizon Cablevision, Inc.	23,347	81	1	16	6
Community Communications, Co.	12,167	35	2	28	28
Balkin Cable	6,758	10	1	29	4